



Department of Justice



ENVIRONMENTAL PROTECTION AGENCY

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 16, 2005
WWW.USDOJ.GOV

ENRD (202) 514-2007
EPA (202) 564-4355
DD (202) 514-1888

UNITED STATES ANNOUNCES CLEAN AIR AGREEMENTS WITH VALERO AND SUNOCO

Two Petroleum Refiners Represent 15 Percent of U.S. Refining Capacity

WASHINGTON, D.C.—The U.S. Department of Justice and the U.S. Environmental Protection Agency (EPA) today announced comprehensive Clean Air Act settlements with petroleum refiners Valero and Sunoco that are expected to reduce harmful air emissions by more than 44,000 tons per year from 18 refineries in eight states.

The states of Colorado, Louisiana, New Jersey, Oklahoma and Texas joined EPA in the settlement with Valero. The states of Pennsylvania, Ohio and Oklahoma, and the city of Philadelphia joined the EPA in the settlement with Sunoco. The settlements are part of EPA's national effort to reduce air emissions from refineries, which has now brought 65 percent of domestic refining capacity into pollution reduction agreements. To date, settlements under this initiative are reducing pollution at 76 refineries. Valero and Sunoco represent 15 percent of domestic refining capacity in the United States. These agreements will bring them into compliance with the law.

A consent decree filed today in the U.S. District Court for the Western District of Texas will require Valero and Tesoro (purchaser of the former Valero Golden Eagle Refinery in Martinez, California) to spend more than \$700 million to install and implement innovative emission control technologies at their refineries. Actions under this agreement are expected to reduce annual emissions of nitrogen oxide (NO_x) by more than 4,000 tons and sulfur dioxide (SO₂) by more than 16,000 tons per year.

A consent decree filed today in the U.S. District Court for the Eastern District of Pennsylvania will require Sunoco to spend approximately \$285 million to install and implement control technologies to reduce emissions at its refineries. Actions under this agreement are expected to reduce NO_x by more than 4,400 tons and SO₂ by more than 19,500 tons per year.

The air pollutants addressed by today's agreements can cause serious respiratory problems and exacerbate asthma in children.

“Today's two comprehensive settlements reduce air pollution by thousands of tons of pollutants and yield cleaner air for all of us to breathe,” said Acting Assistant Attorney General Kelly A. Johnson. “The Department will continue to aggressively pursue actions like these that enforce environmental laws and bring us closer to ensuring clean air compliance across our nation's refining industry.”

“These agreements are the result of our refineries initiative, which is improving the environment and at the same time creating a level playing field in the industry,” said Thomas V. Skinner, EPA Acting Assistant Administrator for the Office of Enforcement and Compliance Assurance. “Sixty-five percent of our nation's petroleum refining capacity now has committed to make significant improvements that will benefit everyone.”

To meet obligations under EPA's New Source Review program, Valero, Tesoro, and Sunoco will cut emissions significantly from the units with the largest emissions through the use of innovative technologies. They will upgrade leak detection and repair practices, implement programs to minimize flaring of hazardous gases, reduce emissions from sulphur recovery plants, and adopt strategies to ensure the proper handling of benzene wastewater at each refinery. Valero and Tesoro's affected refineries are located in Benicia, Martinez and Wilmington, California; Corpus Christi (two refineries), Houston, Sunray, Texas City and Three Rivers, Texas; Krotz Springs and St. Charles Parish, Louisiana; Ardmore, Oklahoma; Denver, Colorado; and Paulsboro, New Jersey. Sunoco's affected refineries are located in Philadelphia and Marcus Hook, Pennsylvania; Toledo, Ohio; and Tulsa, Oklahoma.

“Valero has worked in cooperation with state and federal regulators to reach this settlement,” said Johnny Sutton, U.S. Attorney in San Antonio, where Valero is headquartered. “As a result, we avoid a costly trial, save the taxpayers money and secure environmental compliance much more quickly.”

Valero will pay a \$5.5 million civil penalty and spend more than \$5.5 million on environmentally beneficial projects to reduce emissions further and to support activities in the communities where it operates. Sunoco will pay a \$3 million civil penalty and spend more than \$3.9 million on environmentally beneficial projects. The states joining the settlement will share in the cash penalties and the environmental projects.

Under EPA's Petroleum Refinery Initiative, these settlements bring the number of multi-issue, multi-facility settlements reached with major United States refiners to 15. Other major refiners in similar settlements include Motiva Enterprises, Equilon (Shell) and Shell Deer Park Refining, Marathon Ashland Petroleum, Koch Petroleum Group, BP Exploration & Oil, Chevron, Citgo, Conoco and ConocoPhillips. The agreements provide for a comprehensive, cooperative approach to addressing environmental problems across the industry.

The proposed consent decrees are subject to a 30-day public comment period.

For more information on the Petroleum Refinery Initiative, go to:
www.epa.gov/Compliance/resources/cases/civil/caa/oil/.

For more information about the Valero settlement, go to:
<http://www.epa.gov/compliance/resources/cases/civil/caa/valero.html>

For more information about the Sunoco settlement, go to:
<http://www.epa.gov/compliance/resources/cases/civil/caa/sunoco.html>

###

05-323